

TENNESSEE STATE SCHOOL BOND AUTHORITY
October 14, 2021

The Tennessee State School Bond Authority ("TSSBA", or the "Authority") met on Thursday, October 14, 2021, at 11:00 a.m. in House Hearing Room 1, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

The Honorable David Lillard, State Treasurer
The Honorable Tre Hargett, Secretary of State
Commissioner Butch Eley, Department of Finance and Administration
Randy Boyd, President, University of Tennessee

The following member participated telephonically as authorized by Tennessee Code Annotated § 8-44-108:

Danny Gibbs, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum, Mr. Mumpower called the meeting to order and stated that the first item on the agenda was the approval of the minutes of the meeting held on September 7, 2021. Mr. Mumpower asked if there were any questions, or discussion on the minutes. Hearing none, Mr. Hargett moved approval of the minutes, and Mr. Boyd seconded the motion. Mr. Mumpower asked Ms. Sandi Thompson, Director of the Division of State Government Finance ("SGF") to call the roll. Ms. Thompson called the roll:

Mr. Eley – Aye
Mr. Mumpower – Aye
Mr. Hargett – Aye
Mr. Boyd – Aye
Mr. Lillard – Aye
Mr. Gibbs – Aye

The minutes were approved unanimously.

Mr. Mumpower stated that the next item to come before the Authority was the consideration of approval of a project for Middle Tennessee State University ("MTSU"). Mr. Mumpower recognized Mr. Dick Tracy, Executive Director of Facilities Development at the Tennessee Board of Regents ("TBR"), to present the request.

- Middle Tennessee State University – Student Athlete Performance Center (459); Cost of \$66,000,000 of which \$61,000,000 will be financed by the TSSBA; Term of Financing: 30 years as long-term financing at an assumed tax-exempt rate.

Mr. Mumpower asked Ms. Thompson if SGF had conducted a feasibility analysis on the project. Ms. Thompson stated that a feasibility study had been performed and was included in the meeting packet. Ms. Thompson explained that the projected revenues were sufficient to cover the debt service on the project. Mr. Mumpower asked Mr. Tracy in light of the COVID-19 pandemic if MTSU or TBR had considered what effects another virtual learning situation would have on the project. Mr. Tracy stated that TBR has discussed the potential of another pandemic with MTSU. Mr. Tracy explained that in such an event the project would have a balance set aside in renewal and replacement reserve funds ("R&R"), and that the fees would be assessed even if students were learning remotely.

Mr. Mumpower asked if there were any further questions or discussion. Hearing none, Mr. Hargett made a motion to approve the project, Mr. Lillard seconded the motion, and Ms. Thompson called the roll:

Mr. Eley – Aye
Mr. Mumpower – Aye
Mr. Hargett – Aye
Mr. Boyd – Aye
Mr. Lillard – Aye
Mr. Gibbs – Aye

The motion was approved unanimously.

Mr. Mumpower stated that the next item to come before the Authority was the consideration of approval of a project for Tennessee Technological University (“TTU”). Mr. Mumpower recognized Mr. Dick Tracy to present the request.

- Tennessee Technological University – Residence Hall Innovation Center (931); Cost of \$50,190,000 of which \$39,000,000 will be financed by the TSSBA; Term of Financing: 20 years as long-term financing at an assumed tax-exempt rate.

Mr. Mumpower again asked Ms. Thompson if SGF had conducted a feasibility analysis on the project. Ms. Thompson stated that a feasibility study had been performed and that the projected revenues were deemed sufficient to cover the debt service on the project. Mr. Mumpower asked Mr. Tracy how this project as a residence hall would plan for the contingency of students not staying on campus. Mr. Tracy explained that TTU has set aside R&R funding to make the debt service payments if necessary. Mr. Tracy stated that both housing and food service costs declined when students were off campus. Mr. Tracy also stated that the revenues that were being collected during the construction phase of the project allowed the R&R balance to continue to grow. Mr. Tracy explained that coming out of the pandemic there has been an increase in the demand for housing on campus, specifically among first time students.

Mr. Hargett asked if the increased size and cost of the project had an impact on the fees paid by the students that would be living in this residence hall. Mr. Tracy stated that there was no increase in the debt service fee to students with the increase in size of the project. Mr. Tracy explained that TBR and TTU realized the project would be more expensive and wanted to bring the project forward for design before adjusting the size of the project. Mr. Tracy explained that TTU was contributing more funds to the project as well as borrowing more funds from TSSBA than originally submitted. Mr. Hargett asked if there was an impact on the rent that would be paid by students who stayed in the residence hall. Mr. Mumpower recognized Dr. Claire Stinson, Vice President of Planning & Finance at TTU. Dr. Stinson stated that TTU had planned for fewer rooms in the original design of the residence hall, She further stated that the revised plan reflected an increase in cost because of the increase in the number of rooms, however, she pointed out that an individual student would not have to pay more to rent a room just because of the increase in the size and cost of the project.

Mr. Lillard asked if this type of project would need to be disclosed to the Tennessee Higher Education Commission (“THEC”). Mr. Tracy stated that this project would need to be disclosed and would be included with TTU’s budget submission to THEC. Mr. Lillard inquired what was the amount of the original submittal of the project. Mr. Tracy explained that the project was originally disclosed in the budget as a project in the amount of \$29,500,000, with a plan to request to borrow approximately \$29,000,000 from the TSSBA. Mr. Lillard asked if the increase was due to a change in design or scope after the original submission. Mr. Tracy stated that the increase was due to both an increase in the number of rooms and the increase in building materials while the scope remained the same. Mr. Lillard stated that he wondered if the project was ready to be disclosed at that point in time since the cost of the project was not estimated within a greater degree of accuracy.

Mr. Mumpower asked if there were any further questions or discussion. Hearing none, Mr. Boyd made a motion to approve the project, Mr. Mumpower seconded the motion, and Ms. Thompson called the roll:

Mr. Eley – Aye

Mr. Mumpower – Aye
Mr. Hargett – Aye
Mr. Boyd – Aye
Mr. Lillard – Aye
Mr. Gibbs – Aye

The motion was approved unanimously.

Mr. Mumpower stated that the next item to come before the Authority was the consideration and request for approval of a Resolution to Approve the Borrowing of Money by Another Method for the University of Tennessee regarding Corporate Quarters. Mr. Mumpower recognized Mr. Austin Oakes, Assistant Vice President of the Office of Capital Projects at the University of Tennessee (“UT”), to present the request.

Mr. Oakes stated that the request was for approval of a lease for the UT Institute of Public Service to enter into an agreement with Corporate Quarters, Inc. of Oak Ridge. Mr. Oakes explained that the lease would provide up to 15, two-bedroom units for attendees of the UT Law Enforcement Innovation Center (“LEIC”) training sessions. Mr. Oakes explained that the lease is for one year, covering four sessions from January 8, 2022, to November 18, 2022. Mr. Oakes stated that the total cost of the lease is \$367,740 and either party may terminate the agreement with 30 days’ prior notice.

Mr. Mumpower asked if there were any further questions or discussion. Hearing none, Mr. Hargett made a motion to approve the project, Mr. Lillard seconded the motion, and Ms. Thompson called the roll:

Mr. Eley – Aye
Mr. Mumpower – Aye
Mr. Hargett – Aye
Mr. Boyd – Abstain
Mr. Lillard – Aye
Mr. Gibbs – Aye

The motion was approved.

Mr. Mumpower stated that concluded the agenda for the meeting and the only remaining item was a motion to adjourn. Mr. Hargett made a motion to adjourn, Mr. Lillard seconded the motion, and Ms. Thompson called the roll:

Mr. Eley – Aye
Mr. Mumpower – Aye
Mr. Hargett – Aye
Mr. Boyd – Aye
Mr. Lillard – Aye
Mr. Gibbs – Aye

The motion was approved unanimously.

The meeting was adjourned.

Approved on this 25th day of October, 2021.

Respectfully submitted,


Sandra Thompson
Assistant Secretary

